

2011 DRAFTING REQUEST**Bill**Received: **09/09/2011**Received By: **tdodge**Wanted: **As time permits**Companion to LRB: **-3967**For: **Sandy Pasch (608) 266-7671**By/Representing: **Fred Ludwig**

May Contact:

Drafter: **tdodge**Subject: **Insurance - miscellaneous**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**Requester's email: **Rep.Pasch@legis.wisconsin.gov**Carbon copy (CC:) to: **tamara.dodge@legis.wisconsin.gov**
pam.kahler@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Readability of insurance policies

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/P1	tdodge 10/13/2011	jdyer 10/24/2011	phenry 10/24/2011	_____	mbarman 10/24/2011		
/P2	tdodge 11/21/2011	jdyer 11/22/2011	jfrantze 11/28/2011	_____	sbasford 11/28/2011		
/1	tdodge 12/13/2011	jdyer 12/13/2011	rschluet 12/13/2011	_____	sbasford 12/13/2011		

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/2	tdodge 01/19/2012	jdye 01/25/2012	phenry 01/25/2012	_____	sbasford 01/25/2012	sbasford 02/13/2012	

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→ Not
Needed

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Rs.

pm

9/21/28

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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2862/P2dn

TJD:.....

To Fred Ludwig:

Please review this preliminary draft to ensure it complies with your intent.

Should you have any questions or redraft instructions, please contact me.

Tamara J. Dodge
Legislative Attorney
Phone: (608) 267-7380
E-mail: tamara.dodge@legis.wisconsin.gov

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/?	tdodge	PI 10/24 jld	19/24 ph	✓			

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<END>

Dodge, Tamara

From: Ludwig, Frederic
Sent: Friday, September 09, 2011 3:23 PM
To: Dodge, Tamara
Subject: request

Attachments: insurance readability code Motion125attach[1].pdf; Insurance readability Motion125[1].pdf
Hi Tami,

Sandy wanted me to work on getting a bill drafted that codifies sections of Insurance Administrative Rule 6.07 that were promulgated last October re: readability in insurance policies. Attached documents should provide what's needed, but please let me know if you need any further info.

Thanks,
Fred

--
Fred Ludwig
Office of State Representative Sandy Pasch
608.266.7671 *o*
888.534.0022 *tf*
608.282.3622 *f*

9/12/2011

Posted By:
Wheeler Reports, h...

Representative Grigsby
Senator Taylor

INSURANCE

Readability Standards for Consumer Insurance Policies

Motion:

Move to incorporate in the statutes the provisions of Insurance Administrative Rule 6.07 ("Insurance Policy Language Simplification") that were promulgated on October 22, 2010, that affected the readability of consumer insurance policies.

Note:

Insurance companies doing business in Wisconsin must file insurance policies with the Office of the Commissioner of Insurance (OCI), and OCI reviews these policies to ensure that they comply with state statute and administrative rule regarding form and content.

In October, 2010, the Commissioner of Insurance promulgated a rule regarding the readability of consumer insurance policies, according to recommendations of an advisory council charged with developing new standards for readability for personal insurance policies. Generally, this rule required most consumer insurance policies, or property and casualty insurance policies, to have a minimum Flesch score of 50, and all other policies included under the rule must have a minimum Flesch score of 40. The "Flesch Reading Ease Readability Formula" is a measurement of the readability of a written document, with higher scores indicating that text is more readable. Generally, a Flesch score of 50 indicates that the content would be understood by a reader with some high school education, and a score of 40 indicates that the content would be understood by a reader with at least a high school education.

In February, 2011, the Commissioner of Insurance promulgated an emergency rule that repealed the previous rule, and instead required that Medicare supplement policies must have a minimum Flesch readability score of 50, and that all other policies included under the rule have a minimum score of 40. The stated reason for the repeal rule was that the cost of implementing the Flesch scores exceeded anticipated costs and that current staffing was insufficient to ensure timely review of policies by OCI.

The administrative rule that this motion would incorporate into statutes is attached to this motion.

Attachment

ATTACHMENT

Ins 6.07 Insurance policy language simplification.

Ins 6.07(1) PURPOSE. The purpose of this rule is to establish minimum standards for legibility, coherence and understandability in consumer insurance policies delivered or issued for delivery in the state of Wisconsin on or after the effective dates stipulated in sub. (8). Sections of statutes interpreted or implemented by this rule are ss. 631.20 (2) (a) and 631.22, Stats.

Ins 6.07(2) SCOPE. This rule shall apply to "consumer insurance policies" as defined in sub. (3) and not exempted under sub. (5).

Ins 6.07(3) DEFINITIONS.

Ins 6.07(3)(a)

(a) In this section "consumer insurance policy" means a life, disability, property or casualty insurance policy, or a certificate or a substitute for a certificate for group life, disability, property or casualty insurance coverage, which is issued to a person for personal, family or household purpose and a copy of which is customarily, in the insurance industry, delivered or is required by law, rule or agreement to be delivered to the person obtaining insurance coverage.

Ins 6.07(3)(b)

(b) The term "text" as used in this section shall include all printed or electronic matter except the following:

Ins 6.07(3)(b)1.

1. The name and address of the insurer; the name, number or title of the consumer insurance policy; the table of contents or index; captions and subcaptions; specification pages, schedules or tables; and

Ins 6.07(3)(b)2.

2. Any such form language that is drafted to conform to the requirements of any federal law, regulation or agency interpretation; any form language required by any collectively bargained agreement; any medical terminology; any words which are defined in the form; and any form language required by state law or regulation; provided, however, the insurer identifies the language or terminology excepted by this subdivision and certifies, in writing to the commissioner, that the language or terminology is entitled to be excepted by this subdivision.

Ins 6.07(4) MINIMUM STANDARDS.

Ins 6.07(4)(a)

(a) In addition to any other requirements of law, no consumer insurance policy, unless excepted under sub. (5), shall be delivered or issued for delivery in this state on or after the dates such forms must be approved under this section, unless:

~~Ins 6.07(4)(a)1.~~

1. The text achieves a minimum score on the Flesch reading ease test as described in par. (b) or an equivalent score on any other comparable test as provided in par. (c) unless a lower score is authorized under sub. (7) as follows:

Ins 6.07(4)(a)1.a.

a. For consumer insurance policies except consumer insurance policies that are described in s. 601.58 (2) (k), Stats., or property and casualty insurance policies, a minimum Flesch score of 50.

Ins 6.07(4)(a)1.b.

b. For all other policies included under this rule a minimum Flesch score of 40.

Ins 6.07(4)(a)2.

2. The form to be delivered to the consumer is an electronic form or printed form. The form shall comply with either of the following:

Ins 6.07(4)(a)2.a.

a. If the form is printed, it shall be in not less than 10-point type, one point leaded, except for specification pages, schedule and tables.

Ins 6.07(4)(a)2.b.

b. If the form is in electronic form, it shall appear as it will in final form and in not less than a 10-point font, except for specification pages, schedules and tables.

Ins 6.07(4)(a)3.

3. It is appropriately divided and captioned, presented in a meaningful sequence, and the style, arrangement and overall appearance of the policy enhance its understandability;

Ins 6.07(4)(a)4.

4. It contains a table of contents or an index of the principal sections of the policy if the policy contains more than 3,000 words or if the policy has more than 3 pages;

Ins 6.07(4)(a)5.

5. It contains a section listing exclusions and limitations, and if the exclusions and limitations also appear within the form the exclusions and limitations are given at least equal prominence;

Ins 6.07(4)(a)6.

6. It defines words and expressions which are not commonly understood, or whose commonly understood meaning is not intended;

Ins 6.07(4)(a)7.

7. Cross-referencing between sections of the policy is maintained at a minimum.

Ins 6.07(4)(a)8.

8. It contains words and phrases written in active voice.

Ins 6.07(4)(b)

(b) For the purpose of this section, a Flesch reading ease test score shall be measured by the following method:

Ins 6.07(4)(b)1.

1. For consumer insurance policies containing 10,000 words or less of text, the entire form shall be analyzed. For such forms containing more than 10,000 words, the readability of two 200-word samples per page may be analyzed instead of the entire form. The samples shall be separated by at least 20 printed lines.

Ins 6.07(4)(b)2.

2. The number of words and sentences in the text shall be counted and the total number of words divided by the total number of sentences. The figure obtained shall be multiplied by a factor of 1.015.

Ins 6.07(4)(b)3.

3. The total number of syllables shall be counted and divided by the total number of words. The figure obtained shall be multiplied by a factor of 84.6.

Ins 6.07(4)(b)4.

4. The sum of the figures computed under subds. 2. and 3. subtracted from 206.835 equals the Flesch reading ease score for the consumer insurance policy.

Ins 6.07(4)(b)5.

5. For purposes of subds. 2., 3., and 4., the following procedures shall be used:

Ins 6.07(4)(b)5.a.

a. A contraction, hyphenated word, or numbers and letters, when separated by spaces, shall be counted as one word;

Ins 6.07(4)(b)5.b.

b. A unit of words ending with a period, semicolon, or colon, but excluding headings and captions, shall be counted as a sentence; and

Ins 6.07(4)(b)5.c.

c. A syllable means a unit of spoken language consisting of one or more letters of a word as divided by an accepted dictionary. Where the dictionary shows 2 or more equally acceptable pronunciations of a word, the pronunciation containing fewer syllables may be used.

Ins 6.07(4)(b)6.

6. The title or name of a state or federal government organization or regulatory entity that is required to be used within the policy form may be excluded from the Flesch readability score.

Ins 6.07(4)(c)

(c) Any other reading test may be approved by the commissioner for use as an alternative to the

Flesch reading ease test if it is comparable in result to the Flesch reading ease test.

Ins 6.07(4)(d)

(d) Paragraph (a) 5. and 8., do not apply to any policy otherwise excepted under sub. (5) or to a policy described in s. 601.58 (2) (k), Stats., or a property and casualty insurance policy as described in sub. (3) (a).

Ins 6.07(5) EXEMPTIONS. This section does not apply to:

Ins 6.07(5)(a)

(a) Any policy that is a security subject to federal jurisdiction;

Ins 6.07(5)(b)

(b) Any group policy; however, this shall not exempt any certificate issued pursuant to a group policy delivered or issued for delivery in this state;

Ins 6.07(5)(c)

(c) Any group annuity contract that serves as a funding vehicle for pension, profit-sharing or deferred compensation plans;

Ins 6.07(5)(d)

(d) Renewal policies whose terms are not altered in any way. Changes in premium, monetary limits or language required by federal and state laws and regulations adopted after the effective date of this rule are not alterations under this section.

Ins 6.07(5)(e)

(e) Any form used in exchange, pursuant to a contractual provision, for an individual life policy delivered or issued for delivery on a form approved prior to the date that the form must be approved under this section.

Ins 6.07(6) CERTIFICATION. Filings subject to this section shall be accompanied by a certificate signed by an officer of the insurer stating that it meets the minimum reading ease score or stating that the score is lower than the minimum required but should be approved in accordance with sub. (7). The actual readability score for each form shall be stated in the cover letter or as a data element in an electronic filing and the insurer shall fully identify the method or computer program used to determine the readability score. To confirm the accuracy of any certification, the commissioner may require the submission of further information to verify the certification in question.

Ins 6.07(7) POWERS OF THE COMMISSIONER. The commissioner may authorize a lower score than the Flesch reading ease score required in sub. (4) (a) 1., whenever, at the sole discretion of the commissioner, it is found that a lower score: will provide a more accurate reflection of the understandability of a consumer insurance policy; is warranted by the nature of a particular form or type or class of such forms; or is caused by certain language which is drafted to conform to the requirements of any state law, rule or commissioner's interpretation.

Ins 6.07(8) EFFECTIVE DATE.

Ins 6.07(8)(a)

(a) This section shall apply to the following consumer insurance policies no later than 6 months after December 1, 1980:

Ins 6.07(8)(a)1.

1. Private passenger automobile.

Ins 6.07(8)(a)2.

2. Homeowners,

Ins 6.07(8)(a)3.

3. Dwelling fire,

Ins 6.07(8)(a)4.

4. Individual disability excluding disability income,

Ins 6.07(8)(a)5.

5. Medicare supplement,

Ins 6.07(8)(a)6.

6. Individual life and annuity.

Ins 6.07(8)(b)

(b) This section shall apply to the following consumer insurance policies no later than 12 months after December 1, 1980.

Ins 6.07(8)(b)1.

1. Renewal policies with altered terms,

Ins 6.07(8)(b)2.

2. Group disability certificates,

Ins 6.07(8)(b)3.

3. Disability income,

Ins 6.07(8)(b)4.

4. All consumer insurance policies not included under pars. (a) and (c) of this subsection.

Ins 6.07(8)(c)

(c) This section shall apply to all Town Mutual insurers and also other insurers whose written premiums for the most recent calendar year did not exceed \$500,000 statewide, no later than 18 months after December 1, 1980, regardless of the requirements under pars. (a) and (b).

Ins 6.07(8)(d)

(d) Any consumer insurance policy that has been approved prior to the effective date of this rule and meets the standards set by this rule need not be refiled for approval but may continue to be lawfully delivered or issued for delivery in this state upon the filing with the commissioner of a list of the forms and accompanied by a certificate for each form in the manner provided in sub. (6).

Ins 6.07(8)(e)

(e) The dates in pars. (a), (b), (c) and (d) may be extended at the commissioner's sole discretion, but not beyond May 8th, 1982.

Ins 6.07(9) POLICY ISSUANCE AND RENEWAL.

Ins 6.07(9)(a)

(a) Web site information. Insurers authorized to offer consumer insurance policies shall provide information on its Web site describing how an insured may request or access a paper or an electronic copy of their in force consumer insurance policy. Upon request, an insurer shall provide a complete copy of the in force consumer insurance policy and with all modifications, amendments, riders and amendatory endorsements attached as filed with the commissioner since the issuance of the policy in the format requested by the insured.

Ins 6.07(9)(b)

(b) Printed or electronic copy access. Unless otherwise excepted under sub. (5) or par. (c), insurers subject to this section on each renewal shall advise each policyholder that a printed or electronic copy of the complete in force consumer insurance policy with all modifications, amendments, riders and amendatory endorsements attached as filed with the commissioner since the issuance of the policy will be provided to the policyholder either in an electronic format within 5 business days upon receipt of the request or for a paper copy to be mailed within 10 business days upon receipt of the request.

Ins 6.07(9)(c)

(c) Exception. This subsection does not apply to a consumer insurance policy that is also described in s. 601.58 (2) (k), Stats., a property and casualty insurance policy other than as described in sub. (3) (a), or products offered by an insurer authorized to do business pursuant to ch. 612, Stats. This paragraph does not relieve insurers excepted by this paragraph from complying with s. 631.11 (4m), Stats.

Ins 6.07(9)(d)

(d) Penalty. Consistent with s. 601.64 (3) (c), Stats., for purposes of this section each day the requested copy of a policy is not sent to the insured as requested may be considered a separate violation of this subsection.



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2862?

TJD:

In: 10/13/11

800

Cap
RMR JLD

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

✓
①

Gen

AN ACT ...; relating to: ~~✓~~ Readability of consumer insurance policies. ✓

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 631.20 (2) (e) of the statutes is amended to read: ✓

3 631.20 (2) (e) That its use would violate s. ~~631.22~~ 631.225. ✓

4 History: 1975 c. 375, 421; 1979 c. 218; 1987 a. 247; 1999 a. 9; 2005 a. 74; 2007 a. 168.

4 SECTION 2. 631.22 (title), (1), (2), (3), (4) and (5) of the statutes are repealed. ✓

5 SECTION 3. 631.22 (6) of the statutes is renumbered 631.225 (7) and amended ✓
6 to read:

7 631.225 (7) A violation of this section does not void or render voidable any
8 portion of an a consumer insurance policy and is not a defense to an action under the
9 consumer insurance policy. ✓

History: 1979 c. 218.

****NOTE: The subsections of current law s. 631.22 appear to be overridden by the provisions in this draft, except for s. 631.22 (6). I have transferred this provision to the new section. Please review the new s. 631.225 (7) to ensure that it interacts with the new provisions as you intend.

SECTION 4. 631.225 of the statutes is created to read:

631.225 Consumer insurance policy readability; access to policy. (1)

DEFINITIONS. In this section:

(a) "Applicable text" includes all printed or electronic matter in a consumer insurance policy except for all of the following:

1. The name and address of the insurer.
2. The name, number, or title of the consumer insurance policy.
3. The table of contents or index.
4. Captions and subcaptions.
5. Specification pages, schedules, or tables.
6. Any of the following language or terminology that the insurer certifies in writing to the commissioner is entitled to be exempt from readability requirements:
 - a. Any form language that is drafted to conform to the requirements of any federal law, regulation, or agency interpretation.
 - b. Any form language required by any collective bargaining agreement.
 - c. Any medical terminology.
 - d. Any words that are defined.
 - e. Any form language required by state law or rule.
7. The title or name of a state or federal government organization or regulatory entity that is required to be named within the consumer insurance policy.

(b) "Consumer insurance policy" means a life, disability, property, or casualty insurance policy or a certificate or a substitute for a certificate for group life, disability, property, or casualty insurance coverage, which is issued to a person for

personal, family, or household purposes and a copy of which is customarily, in the insurance industry, delivered or required by law, rule, or agreement to be delivered, to the person obtaining insurance coverage.

****NOTE: This definition refers to a "disability" insurance policy. It is unclear whether this refers to health insurance only, disability income insurance only, or both. To be more clear, the term "disability" should probably be defined or given a cross-reference. Do you want to clarify the term "disability"?

(c) "Syllable" means a unit of spoken language consisting of one or more letters of a word as divided by a generally accepted dictionary.

(2) MINIMUM READABILITY STANDARDS. (a) In addition to any other requirements and except as provided in sub. (3), no insurer may deliver or issue for delivery a consumer insurance policy in this state unless all of the following apply:

1. Except as provided under sub. (5), the applicable text achieves any of the following scores:

a. For consumer insurance policies, except individual or group annuities, life insurance policies, disability income policies, long-term care policies, or property and casualty insurance policies, a minimum score of 50 on the Flesch reading ease test as described in par. (b).

b. For all other consumer insurance policies not subject to subd. 1. a., a minimum score of 40 on the Flesch reading ease test as described in par. (b).

c. For the applicable type of consumer insurance policy, a score equivalent to a score under subd. 1. a. or b. on any other comparable test approved by the commissioner under par. (c).

2. The consumer insurance policy to be delivered to the consumer is an electronic form or printed form that complies with all of the following:

1 a. If the consumer insurance policy is printed, it is in not less than 10-point
2 type, with spacing between lines at least as high as 10-point type, except for
3 specification pages, schedules, and tables.

****NOTE: There was a reference in subd. 2. a. to one-point leading, which I changed. Leading is the spacing between lines and my research indicated that one-point leading is an ambiguous phrase. The phrase can mean space for one-point type between lines, 10-point type between lines, or 11-point type between lines. Please advise how you would like the line spacing of the policies.

4 b. If the consumer insurance policy is electronic, it appears as it will in final
5 format and is in not less than a 10-point type except for specification pages,
6 schedules, and tables.

7 3. The consumer insurance policy is appropriately divided and captioned,
8 presented in a meaningful sequence, and the style, arrangement, and overall
9 appearance of the consumer insurance policy enhances its understandability.

10 4. If the consumer insurance policy contains more than 3,000 words or more
11 than 3 pages, the consumer insurance policy contains a table of contents or an index
12 of the principal sections of the policy.

13 5. The consumer insurance policy contains a section listing exclusions and
14 limitations, and if the exclusions and limitations also appear within the form, the
15 exclusions and limitations are given at least equal prominence with the rest of the
16 form language. This subdivision does not apply to a property and casualty insurance
17 policy as described in sub. (1) (b), an individual or group annuity, a life insurance
18 policy, a disability income policy, or a long-term care insurance policy.

****NOTE: You may want to ask OCI what policies this subdivision applies to. The last sentence exempts most of the policy types listed in the definition of consumer insurance policy, except for health insurance if, in fact, the term "disability" refers to health insurance. If this requirement only applies to a few types of policies, it may be less confusing to just list the types of policies to which the requirement applies.

1 6. The consumer insurance policy defines words and expressions that are not
2 commonly understood and words and expressions the commonly understood
3 meaning of which is not intended by the policy language.

4 7. Cross-references between sections of the consumer insurance policy are
5 minimized.

6 8. The consumer insurance policy contains words and phrases written in active
7 voice. This subdivision does not apply to a property and casualty insurance policy
8 as described in sub. (1) (b), an individual or group annuity, a life insurance policy, a
9 disability income policy, or a long-term care insurance policy.

 ****NOTE: Again, you may want to ask OCI what policies this subdivision applies
to. If this requirement only applies to a few types of policies, it may be less confusing to
just list the types of policies to which the requirement applies.

10 (b) A person measuring a Flesch reading ease test score for a consumer
11 insurance policy under this section shall use the following method:

12 1. a. For consumer insurance policies containing 10,000 words or less of
13 applicable text, analyze the entire form.

14 b. For consumer insurance policies containing more than 10,000 words,
15 analyze the entire form or analyze the readability of 200-word applicable text
16 samples per page that are separated by at least 20 printed lines.

17 2. Subject to subd. 5., count the number of words in the applicable text under
18 subd. 1. and divide by the total number of sentences in the text under subd. 1.
19 Multiply the resulting quotient by 1.015.

20 3. Subject to subd. 5., count the total number of syllables in the applicable text
21 under subd. 1. and divide by the total number of words in the text under subd. 1.
22 Multiply the resulting quotient by 84.6.

1 4. Subtract the sum of the figures calculated under subds. 2. and 3. from
2 206.835 to obtain the Flesch reading ease score for the consumer insurance policy.

3 5. For the counting of the applicable text under subds. 2. and 3., all of the
4 following apply:

5 a. Numbers and letters, when separated by spaces, a contraction, or a
6 hyphenated word are counted as one word.

7 b. A unit of words ending with a period, semicolon, or colon, but excluding
8 headings and captions, is counted as a sentence.

9 c. If a generally accepted dictionary shows 2 or more equally acceptable
10 pronunciations of a word, the pronunciation containing fewer syllables may be used.

11 (c) The commissioner may approve any other reading test for use as an
12 alternative to the Flesch reading ease test if that reading test is comparable in result
13 to the Flesch reading ease test.

14 (3) EXEMPTIONS. This section does not apply to any of the following:

15 (a) Any policy that is a security subject to federal jurisdiction.

16 (b) Any group policy, except any certificate issued under a group policy
17 delivered or issued in this state.

18 (c) Any group annuity contract that funds a pension, profit-sharing, or
19 deferred compensation plan.

20 (d) Renewals of consumer insurance policies whose terms are not altered in any
21 way except for changes in premium, monetary limits, or language required by federal
22 or state laws, regulations, or rules.

23 (4) CERTIFICATION; REQUIRED INFORMATION. (a) An officer of the insurer shall
24 provide with a filing of a consumer insurance policies that is subject to this section
25 a certificate signed by that officer stating that the consumer insurance policy that

1 is the subject of the filing meets the minimum reading ease score or that the
2 consumer insurance policy that is the subject of the filing has a score that is lower
3 than the minimum required score but the filing should be approved under sub. (5).

4 (b) 1. The insurer shall provide the actual readability score for each consumer
5 insurance policy in the cover letter of the filing or as a data element in an electronic
6 filing.

7 2. The insurer shall identify in the filing the method or computer program used
8 to determine the readability score.

9 (c) The commissioner may require the submission of further information to
10 verify the accuracy of the certification under par. (a).

11 (5) EXEMPTION FOR LOWER SCORE. The commissioner may approve a consumer
12 insurance policy with a lower score than the Flesch reading ease score required
13 under sub. (2) (a) 1. whenever the commissioner finds any of the following:

14 (a) The lower score will provide a more accurate reflection of the understanding
15 of a consumer insurance policy.

16 (b) The lower score is warranted by the nature of the particular form or type
17 or class of such forms.

18 (c) The lower score is caused by certain language that is drafted to conform to
19 the requirements of any state law, rule, or commissioner's interpretation.

20 (6) INFORMATION TO CONSUMERS; POLICY ACCESS. (a) Any insurer authorized to
21 offer a consumer insurance policy shall provide information on its Internet site
22 describing how an insured may request or access a paper or an electronic copy of his
23 or her insurance policy that is in force. Upon a request by an insured, an insurer shall
24 provide to the insured in the format requested by the insured a complete copy of the
25 consumer insurance policy that is in force and any modifications, amendments,

1 riders, and amendatory endorsements attached as that policy is filed with the
2 commissioner after the date of issuance of the insured's policy.✓

3 (b) Except for a consumer insurance policy that is an individual or group
4 annuity or a life, disability income, or long-term✓care insurance policy and except for
5 a consumer insurance policy that is offered by a town mutual✓ under ch. 612,✓ an
6 insurer that offers a consumer insurance policy shall advise each policyholder that
7 a printed or electronic copy of the complete in force consumer insurance policy with
8 all modifications, amendments, rider^(S) and amendatory endorsements attached as
9 filed with the commissioner since the date of issue of the policy will be provided to
10 the policyholder either in electronic format within✓5 business days of receipt by the
11 insurer of the request or by paper copy to be mailed within✓10 business days of receipt
12 by the insurer of the request.

13 (c) Each day the requested copy of a consumer insurance policy is not sent to
14 the insured as requested may be considered as a separate violation of this✓subsection.

****NOTE: I did not add a delayed effective date to this draft.✓ I realize that insurers
were required to comply with these provisions as an administrative rule, but that as of
February did not have to fully comply with the requirements. Should this draft have a
delayed effective date to allow insurers to reword their consumer insurance policies to
comply? If so, how long do you want them to have?✓

15 (END)

Dodge, Tamara

From: Ludwig, Frederic
Sent: Tuesday, November 15, 2011 11:41 AM
To: Dodge, Tamara
Subject: LRB 2862 comments

Hi Tami,

Finally have had a couple of minutes to review your insurance policy readability draft (LRB 2862). Here are my thoughts.

Pg. 2, Line 3:
I think this works

→ Pg. 3, Line 6:
My read is that the OCI emergency rule exempted disability income policies, so I believe should refer directly to health insurance only. Would it be worth clarifying that all policies under 601.58(2)(k) are exempt? I believe they generally were in the rule? If this works, I think this should also apply to your notes on pg. 4, line 20 and pg. 5, line 9?

→ Pg. 4, Line 4:
The space should reflect the size of the font being used

→ Pg. 8, Line 14:
I think there should be a two year compliance period. So, something along the lines of any policies that are extended, modified, or renewed on or after two years after the effective date?

Also, some general questions/thoughts from advocates I shared the draft with (I apologize if they are self-explanatory...just wanted to be able to say that I threw them out there...):

Pg 3 line 16-19: Do you want to define the Flesch-Kincaid Reading Assessment here? Will readers know what you mean by a Flesch reading ease score of 50 or 40?

Pg 5 line 17-22 – Page 6 line 1,2: It is unclear why this formula for determining Flesch Readability score would be explained as is when the process is a computer application that is available on almost every Microsoft/Apple word processing software. It makes the whole process seem daunting, awkward and cumbersome when in actuality it is merely the push of a few keys on a computer to obtain the readability score.

Pg 6 line3-8; Not sure if definition of what constitutes a word or how to count them is necessary if using a Flesch readability application – the software does this automatically. For other readability assessments used, these definitions or parameters for defining a word or sentence may be applicable.

Let me know if you'd like to discuss further, and thanks for getting this together.

Fred

--
Fred Ludwig
Office of State Representative Sandy Pasch
608.266.7671 o
888.534.0022 tf
608.282.3622 f

11/16/2011

Dodge, Tamara

From: Ludwig, Frederic
Sent: Thursday, November 17, 2011 11:08 AM
To: Dodge, Tamara
Subject: RE: LRB 2862 comments

I'm good with not perpetuating confusion. Let's go with your recommendation on the disability income policy issues.

And thanks for your explanation on the other points. I'll be sure to pass them along.

Am I missing anything else you need from my end?

From: Dodge, Tamara
Sent: Wednesday, November 16, 2011 3:16 PM
To: Ludwig, Frederic
Subject: RE: LRB 2862 comments

Here are my answers to some of your questions and a residual issue from one of my previous questions in the draft.

Pg. 3, Line 6:

My read is that the OCI emergency rule exempted disability income policies, so I believe should refer directly to health insurance only. Would it be worth clarifying that all policies under 601.58(2)(k) are exempt? I believe they generally were in the rule? If this works, I think this should also apply to your notes on pg. 4, line 20 and pg. 5, line 9?

I believe that disability income policies are included in the rule, but they are exempt from a few portions of it and subject to a higher Flesch score. Therefore, I don't believe it would be correct to exempt all policies under s. 601.58 (2) (k) if you want to closely follow the rule. I think OCI is being less than clear about the distinction between disability income policies and disability (health insurance) policies. The statutes are full of this confusion as well, which is a confusion I would rather not perpetuate, unless you want to keep it that way. I would prefer that we take disability from the definition of consumer insurance policy and specify that it applies to both disability income policies and health care plans, if that is your intention. If you only want it to apply to health plans or to disability plans but not both, we can clarify that as well.

Pg 3 line 16-19: Do you want to define the Flesch-Kincaid Reading Assessment here? Will readers know what you mean by a Flesch reading ease score of 50 or 40?

I'm not sure how to define it, except that the procedure is spelled out in the bill such that anyone who doesn't know what it is can calculate it anyway.

Pg 5 line 17-22 – Page 6 line 1,2: It is unclear why this formula for determining Flesch Readability score would be explained as is when the process is a computer application that is available on almost every Microsoft/Apple word processing software. It makes the whole process seem daunting, awkward and cumbersome when in actuality it is merely the push of a few keys on a computer to obtain the readability score.

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Addressing both questions together, I don't think this is as simple as pushing a button in Word. When you get that score for a Word document, as I am familiar with it, it doesn't allow you to exclude words. In the draft and the previous rule, the only text analyzed in this method is the "applicable text" in the policy, which is defined in the bill as excluding many types of language. I don't know if an insurance policy would "pass" without excluding some of the terms allowed to be excluded for the calculation of the score. For example, "State Farm" would have a better

score than "General Casualty" just by the character of the name of the insurer (fewer syllables), all else being equal, without allowing insurers to even the playing field by eliminating their names from the calculation. Before eliminating from the draft all of the parameters to perform the test, you may want to find out for sure what the process is that was used by insurance companies to run the calculation. Perhaps the process can be updated, but I'm not sure if all of the calculation instructions can be eliminated.

Tami

Tamara J. Dodge

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Sent: Tuesday, November 15, 2011 11:41 AM

To: Dodge, Tamara

Subject: LRB 2862 comments

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Fred

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Fred Ludwig

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